

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

OAK HAVEN WATER AND SEWER, INC.)	
)	
)	
)	CASE NO. 93-176
ALLEGED VIOLATION OF COMMISSION)	
REGULATIONS 807 KAR 5:006 AND)	
807 KAR 5:066)	

O R D E R

On May 11, 1993, Oak Haven Water and Sewer, Inc. ("Oak Haven") was directed by Order to appear before the Commission to show cause why it should not be penalized pursuant to KRS 278.990 for failure to comply with Commission regulations. The Order arose out of a utility inspection report by an investigator for the Commission charging Oak Haven with seven violations of Commission regulations. The Order further directed Oak Haven to respond to the allegations contained in the utility inspection report.

A hearing was held before the Commission on July 23, 1993. Oak Haven failed to respond to the inspection report or appear either personally or by counsel at the hearing.

FINDINGS OF FACT

Oak Haven is a corporation that owns, controls, and operates facilities used in the distribution and furnishing of water and in the treatment of sewage for compensation to residents of a residential subdivision near Falmouth in Pendleton County. On September 20, 1992, two utility investigators of the Commission

inspected the facilities for compliance with Commission regulations. One investigator inspected the sewage facilities and the other investigator inspected the water facilities. **As** a result of the inspection, the investigator inspecting the water facilities noted seven conditions which he cited as violations of Commission regulations. The conditions cited as violations were:

1. The utility failed to file periodic meter reports with the Commission.

2. The utility has not published its telephone number in its service area.

3. The utility does not maintain test reports regarding the chemical constituents and quality of the water sold to its customers.

4. The utility's minimum storage capacity for its distribution system is not equal to the average daily consumption.

5. The utility does not maintain a recording pressure gauge in continuous service for a minimum of one week per month at a representative point on the utility's mains.

6. The utility does not perform or keep records of annual pressure surveys.

7. The utility has failed to file a water shortage response plan.

In a previous inspection conducted on December 16, 1991, the conditions cited in paragraphs 1, 2, 3, and 4 in the September 30, 1992 report were also cited as violations in the December 16, 1991 report. Further, the September 30, 1992 report directed Oak Haven

to file a response stating what corrective action was being taken to correct each deficiency or violation cited.

CONCLUSIONS OF LAW

Oak Haven is a utility subject to the jurisdiction of the Commission and required to comply with Commission regulations. **As** a utility, Oak Haven is in willful violation of the following regulations:

1. 807 KAR 5:006, Section 3(2), for failing to file periodic meter reports.

2. 807 KAR 5:006, Section 13(1)(a), for failing to publish its telephone number in its service area.

3. 807 KAR 5:066, Section 2(1), for failing to provide its customers information regarding the chemical constituents and bacteriological standards of its water.

4. 807 KAR 5:066, Section 4(4), for not having minimum storage capacity for its distribution system equal to the average daily consumption of its customers.

5. 807 KAR 5:066, Section 5(2), for failing to maintain a recording pressure gauge in continuous service a minimum of one week per month at a representative point on the utility's mains.

6. 807 KAR 5:066, Section 5(3), for failing to perform or keep records of annual pressure surveys.

7. 807 KAR 5:066, Section 17, for failing to file a water shortage response plan.

For each violation, a penalty of \$500 should **be** assessed against Oak Haven. Oak Haven should **be directed** to abate the

violations within 60 days and to certify to the Commission that the violations have been abated. For each violation abated within 60 days, all but \$100 of the penalty should be vacated.

This Commission being otherwise sufficiently advised,

IT IS ORDERED that:

1. Oak Haven is in willful violation of 807 KAR 5:006 and 807 KAR 5:066.

2. Oak Haven shall pay a penalty of \$500 each for each condition cited in violation of the regulations.

3. Oak Haven shall, within 60 days from the date of this Order, abate the violations and certify to the Commission in writing that the violations have been abated.

4. The penalties assessed hereunder shall be due and payable in full 60 days from the date of this Order unless Oak Haven abates the violations within the 60 day period. For each violation abated within the 60 day period, the penalty shall be reduced to \$100.

5. The penalties due hereunder shall be paid by certified check or money order made payable to the Kentucky State Treasurer and mailed to the Kentucky Public Service Commission, Office of General Counsel, P. O. Box 615, Frankfort, Kentucky 40602.

Done at **Frankfort**, Kentucky this 9th day of November, 1993.

By the **Commission**

ATTEST :

A handwritten signature in dark ink, appearing to read "D. Mills", is written over a horizontal line.

Executive Director